DOCKET SECTION

BEFORE THE POSTAL RATE COMMISSION WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMPISSION OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

REVISED RESPONSE OF POSTAL SERVICE WITNESS TAUFIQUE TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 3, QUESTION 6

The United States Postal Service hereby provides the revised response of witness Taufique to question 6 of Presiding Officer's Information Request No. 3. The revision amends the original response, filed on September 22, 1997, in response to the Presiding Officer's request at the hearing on October 17, 1997 (Tr. 10/4962-64). The revision explains how the revenue loss from the removal of 1.2 cents from the advertising pound rates for zones 7 and 8 is implicitly recovered in the piece rates.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr. Chief Counsel, Ratemaking

David H. Rubin

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260-1137 (202) 268-2986; Fax -5402 October 24, 1997

REVISED RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAUFIQUE TO PRESIDING OFFICER'S INFORMATION REQUEST NUMBER 3

Question 6.

Workpaper RR-G, page 3, of witness Taufique, shows the removal of 1.2 cents per pound from the advertising rates for zones 7 and 8. Consistent with the proposal to obtain 41 percent of the revenue from the pound rates, please explain where the revenue loss attendant to the 1.2 cent reduction is recovered.

RESPONSE

The revenue loss attendant to the removal of 1.2 cents from the advertising pound rates for zones 7 and 8 is not explicitly recovered in the proposed rate design. Implicitly this revenue loss is recovered in the piece rates because the piece revenue target is derived by subtracting explained pound revenues from the target revenue. Please see line 6 in USPS-T-34 Workpaper RR-1.

Harris III

THE RESERVE OF

DECLARATION

I, Altaf H. Taufique, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

ALTAF H. TAUFIQUE

Dated: October 24, 1977

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

David H. Rubin

475 L'Enfant Plaza West, S.W. Washington, D.C. 20260–1137 October 24, 1997

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